DOCUMENT RESUME

ED 051 344 UD 011 599

TITLE Improved Administration Needed in New Jersey for the Federal Program of Aid to Educationally Deprived Children. Office of Education, Department of Health Education and Welfare B-164031(1). Report to the Congress.
INSTITUTION Comptroller General of the U.S., Washington, D.C.
PUB DATE Apr 71
NOTE 58p.

EDRS PRICE EDRS Price MF-$0.65 HC-$3.29
DESCRIPTORS *Administrative Problems, *Educational Administration, Educational Disadvantagement, Educational Finance, Educational Needs, Federal Programs, Financial Policy, Governing Boards, Government Role, *Program Administration, *Summative Evaluation
IDENTIFIERS *Elementary Secondary Education Act Title I, ESEA Title I, New Jersey

ABSTRACT

This report covers a Federal review of the operation of the ESEA Title I Program in New Jersey, concentrating its local review in Camden. The State educational agency reported that new methods for teaching the disadvantaged had been developed, achievement had improved, and children had developed a feeling that their parents as well as school officials were genuinely interested in their needs. However, the General Accounting Office believes that a substantial part of Camden's program has provided general aid to public and private school systems rather than aid to educationally deprived children, as prescribed in the Act. Corrective recommendations are included in the report. (Author/DM)

ED051344

UNITED STATES GENERAL ACCOUNTING OFFICE

REPORT TO THE CONGRESS

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Improved Administration Needed In New Jersey For The Federal Program Of Aid To Educationally Deprived Children

B-164031(1)

Office of Education

**Department of Health, Education,
and Welfare**

BY THE COMPTROLLER GENERAL
OF THE UNITED STATES

APRIL 7,1971

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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-164031(1)

To the President of the Senate and the
Speaker of the House of Representatives

This is our report on the improved administration needed in New Jersey for the Federal program of aid to educationally deprived children. This program is authorized by title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 241a) and is administered by the Office of Education, Department of Health, Education, and Welfare.

Our review was made pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67).

Copies of this report are being sent to the Director, Office of Management and Budget; the Secretary of Health, Education, and Welfare; and the Commissioner of Education.

Elmer B. Staats
Comptroller General
of the United States

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ABBREVIATIONS

GAO	General Accounting Office
HEW	Department of Health, Education, and Welfare
LEA	local educational agency
SEA	State educational agency

COMPTROLLER GENERAL'S
REPORT TO THE CONGRESS

IMPROVED ADMINISTRATION NEEDED IN
NEW JERSEY FOR THE FEDERAL PROGRAM
OF AID TO EDUCATIONALLY DEPRIVED
CHILDREN
Office of Education,
Department of Health, Education,
and Welfare B-164031(1)

DIGEST

WHY THE REVIEW WAS MADE

This is the third in a series of reports by the General Accounting Office (GAO) on the manner in which the Office of Education, Department of Health, Education, and Welfare (HEW), is administering its responsibilities under the principal Federal program of aid to children deprived of normal educational development.

The program, authorized under title I of the Elementary and Secondary Education Act of 1965, involves Federal expenditures of about $1 billion a year and requires a high degree of coordination by Federal, State, and local agencies. This report covers a review of the operation of the program in New Jersey, where about $23 million in Federal money has been received each year under the program.

GAO concentrated its local review work in Camden, one of four local educational agencies in the State receiving over $1 million in program money in each of fiscal years 1966 through 1970.

FINDINGS AND CONCLUSIONS

Participation in program

Annual participation in the title I program in New Jersey involved from 85,000 to 131,000 children who were enrolled in about 90 percent of the States's approximately 570 school districts. The State educational agency reported that new methods for teaching the disadvantaged had been developed, the children's educational achievement had improved, and children had developed a feeling that their parents as well as school officials were genuinely interested in their needs. (See p. 9.)

Program in Camden

GAO believes that a substantial part of Camden's title I program has provided general aid to the public and private school systems there rather than aid to educationally deprived children as prescribed in the act. (See p. 17.)

The title I program specifies that funds be used for projects designed for educationally deprived children--in both public and private schools--residing in school attendance areas having high concentrations of children from low-income families. GAO estimated that more than $240,000 had been spent in areas not designated by the Camden educational agency as having such concentrations. (See p. 13.)

School attendance areas were chosen for the title I program in Camden on the basis of a local official's general knowledge of economic deprivation in the city. Contrary to Office of Education requirements, the basis for selection was not documented. (See p. 14.)

The Camden educational agency designed and conducted some title I projects for private and public school children on the basis that Camden's school system, in general, lacked the facilities, services, equipment, or materials supplied under the projects. This is contrary to the requirement of the Office of Education that the projects meet the special educational needs of educationally deprived children. (See pp. 17, 19, 23, and 26.) Physical education equipment was provided for all public school children in some grade levels, audio-visual equipment was distributed to all public schools, and textbooks were made available to all elementary schools. (See p. 20.)

State improves procedures

Recognizing weaknesses in the State's administration of the program, the State educational agency in fiscal year 1970 took action to improve procedures for

--approving applications from local educational agencies for title I projects,

--reviewing local educational agency operations, and

--using project evaluation reports prepared by local educational agencies.

GAO believes that those improved procedures should help ensure that title I projects will meet the special needs of, and will be concentrated on, educationally deprived children. (See pp. 30, 31, 32, and 34.)

RECOMMENDATIONS OR SUGGESTIONS

The Secretary of HEW should review those Camden projects that appear to be inconsistent with the objectives of the 1965 act and should effect recoveries of, or make adjustments in, title I funds where warranted. (See p. 28.)

The Secretary should emphasize to the New Jersey State educational agency

--the need to ensure that local educational agencies select and document project areas in accordance with program criteria and concentrate program aid in properly designated areas (see p. 16) and

--the importance of requiring local educational agencies to identify the special needs of educationally deprived children--in both public and private schools--and to design projects that have reasonable promise of meeting those needs (see p. 28).

The Secretary should emphasize to all State educational agencies that

--title I funds are not available for general educational needs of local school systems but are available only for specifically identified needs of educationally deprived children in properly designated areas (see p. 28) and

--project applications must be adequately reviewed, systematic procedures must be followed in reviewing local educational agencies' activities, and local educational agencies' evaluation reports must be used to improve program effectiveness (see p. 34).

AGENCY ACTIONS AND UNRESOLVED ISSUES

The Assistant Secretary, Comptroller, of HEW said that GAO's findings clearly identified weaknesses in title I administration at the State level and that GAO's questions concerning project operation and management by the Camden educational agency were valid. He said also that GAO's recommendations would be implemented promptly by the Office of Education. (See pp. 16, 28, 34, and 49.)

MATTERS FOR CONSIDERATION BY THE CONGRESS

This report is furnished because of interest expressed by committees and members of the Congress in Federal efforts to improve elementary and secondary education generally and specifically through the title I program.

CHAPTER 1

INTRODUCTION

The General Accounting Office made a review of the manner in which the Office of Education, Department of Health, Education, and Welfare (HEW), was administering its responsibilities under the Federal program of assistance to educationally deprived children in New Jersey. This program is authorized by title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 241a).

The act represents the largest single commitment by the Federal Government for strengthening and improving educational quality and opportunity in elementary and secondary schools across the Nation. Title I authorizes Federal financial assistance for educational programs designed to meet the special educational needs of educationally deprived children living in areas having high concentrations of children from low-income families. Such areas are referred to by the Office of Education as project areas. This program was funded at about $1 billion annually for fiscal years 1966 through 1970. The State of New Jersey received about $23 million annually under the title I program during these years.

Our review was made at the New Jersey State educational agency (SEA) and at the Camden local educational agency (LEA). An LEA is an agency which has administrative control and direction of free public education up to and including, but not beyond, grade 12 in a county, township, independent, or other school district. The Camden LEA was one of four LEAs in the State which received over $1 million of program funds in each of fiscal years 1966 through 1970. We did not make an overall evaluation of the administration and results of the title I program in the State.

RESPONSIBILITY FOR PROGRAM ADMINISTRATION

The Office of Education is responsible for the overall administration of the program at the national level; SEAs are responsible for administration of the program at the State level. LEAs are responsible for developing and implementing the special educational programs to be operated within their jurisdictions. Thus, effective implementation of the title I program requires a high degree of Federal, State, and local coordination.

As part of its responsibilities in administering the program, the Office of Education develops regulations and guidelines relating to the administration of the program and determines the maximum amounts to be allocated to eligible LEAs, pursuant to a formula prescribed in the act.

Any State desiring to participate in the program is required by title I of the act to submit, through its SEA, an application to the Office of Education for review and approval. The SEA is required to include, in the application, assurances that it will administer the program and submit reports in accordance with the provisions of the act and the Office of Education title I program regulations.

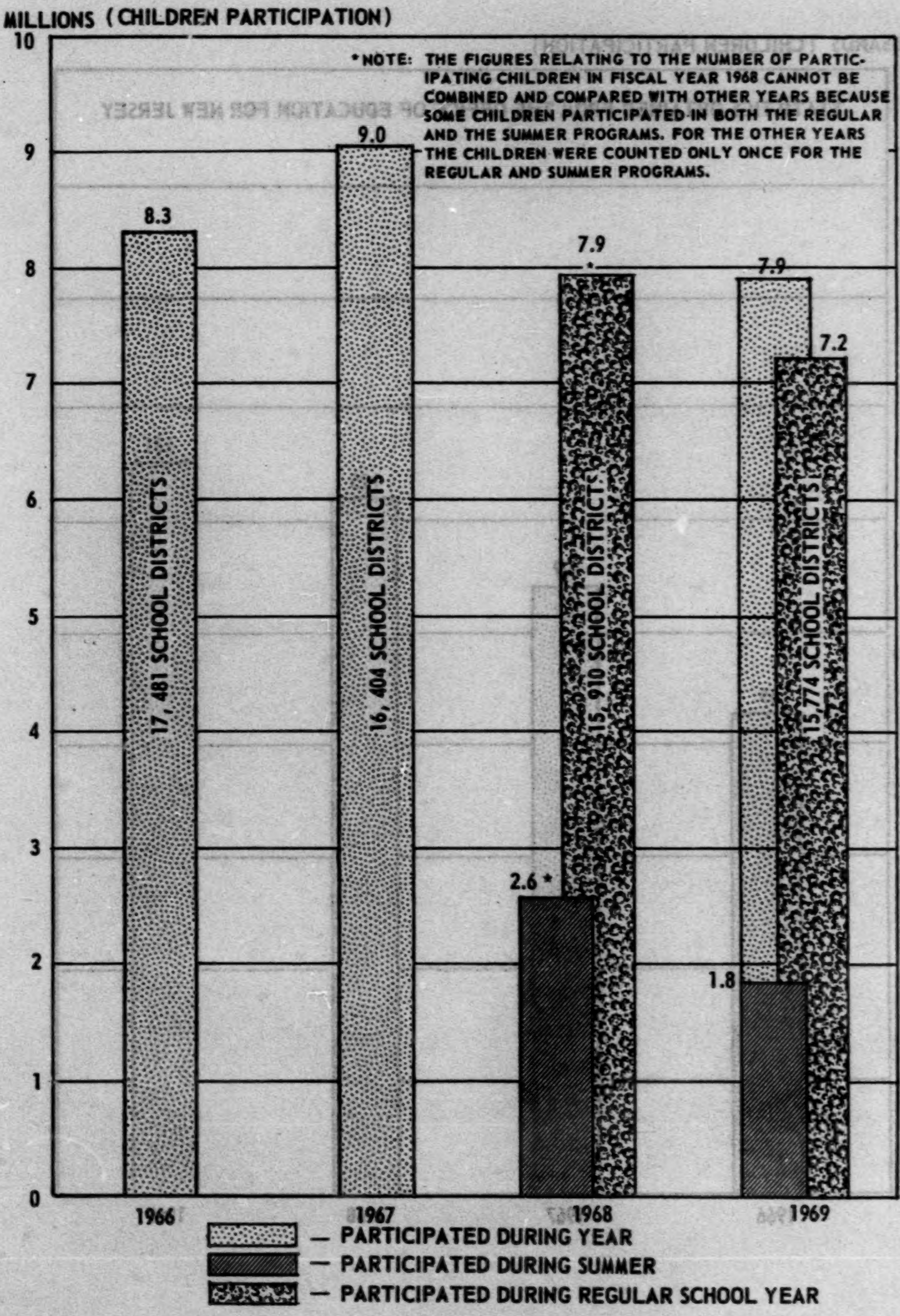
The SEAs' major responsibilities are to (1) approve project applications submitted by LEAs, upon a determination that the proposed projects are designed to meet the special educational needs of educationally deprived children in school attendance areas having high concentrations of children from low-income families, (2) ensure that title I funds are used only for projects which have been approved by the SEAs, and (3) adopt fiscal control and fund accounting procedures necessary to ensure proper disbursement of and accounting for Federal funds received from the Office of Education and, in turn, paid to LEAs to finance the approved projects.

Title I of the act authorizes payments to a State to defray its costs of administering the title I program and providing technical assistance to the LEAs. These payments in any fiscal year may not exceed 1 percent of the total grants for LEAs of the State for that year or $150,000, whichever is the greater. Payments to the State of New Jersey for administering the title I program averaged $234,000 a year for fiscal years 1966 through 1970.

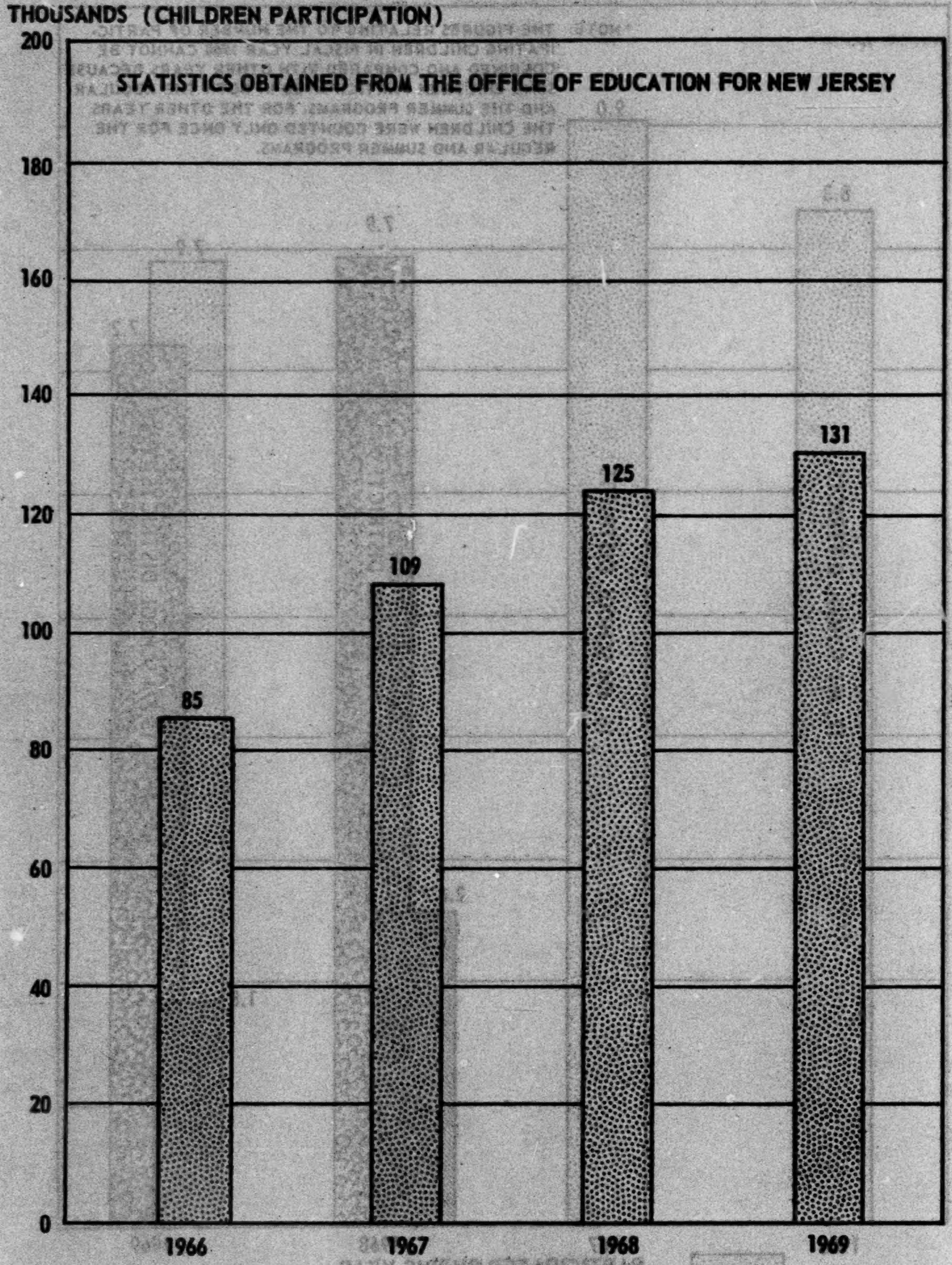
The LEAs are responsible for developing and implementing projects under the title I program. These responsibilities include (1) determining school attendance areas eligible for participation, (2) identifying the educationally deprived children in these areas, (3) determining the special needs of such children, (4) submitting applications to the SEA for grants, and (5) carrying out the projects in accordance with the approved application and applicable rules and regulations.

PROGRAM PARTICIPATION

The following graphs, which are based on statistics compiled by the Office of Education and the New Jersey department of education, show the number of children who participated in the title I program, nationwide and in New Jersey, from fiscal year 1966 through fiscal year 1969. Information as to the number of children who participated in, and the amount of funds received for, title I projects in Camden is contained in appendixes II and III, respectively.



*NOTE: THE FIGURES RELATING TO THE NUMBER OF PARTICIPATING CHILDREN IN FISCAL YEAR 1968 CANNOT BE COMBINED AND COMPARED WITH OTHER YEARS BECAUSE SOME CHILDREN PARTICIPATED IN BOTH THE REGULAR AND THE SUMMER PROGRAMS. FOR THE OTHER YEARS THE CHILDREN WERE COUNTED ONLY ONCE FOR THE REGULAR AND SUMMER PROGRAMS.


THOUSANDS (CHILDREN PARTICIPATION)
STATISTICS OBTAINED FROM THE OFFICE OF EDUCATION FOR NEW JERSEY
200
180
160
140
120
100
80
60
40
20
0
85
109
125
131
1966
1967
1968
1969

CHAPTER 2

PROGRAM ADMINISTRATION

Statistics provided to the Office of Education by the New Jersey SEA showed that from 85,000 to 131,000 children had participated in the title I program during the first 4 years of the program's existence in that State. The SEA's records showed that, during the 4-year period, title I assistance was provided to over 90 percent of the more than 570 LEAs in the State.

In evaluation reports submitted to the Office of Education on the activities under the title I program in New Jersey and on the effectiveness of the program in enhancing educational opportunity and helping the educationally deprived children in the State, the SEA stated that teachers had developed a greater awareness of the characteristics of these children and had begun to initiate new methodology in their teaching aimed at correcting the unique problems of these disadvantaged children. The SEA reported that, through participation in the title I program, the children developed a feeling that their parents and school officials had a genuine interest in their needs.

The SEA, in its fiscal year 1969 evaluation report, stated that the title I projects in the State which were most effective in improving the children's educational achievement were (1) reading instruction projects, such as those that diagnosed an individual's reading level and prescribed individualized materials or tutorial reading, (2) comprehensive services projects, such as those for the individual diagnosis of health problems and their correction and those for cultural enrichment, and (3) projects which provided services and instructional activities to preschool and early elementary school children.

The Camden LEA, in its fiscal year 1969 evaluation report, stated that, as a result of its title I activities, there had been an increased awareness of the needs of disadvantaged children on the part of the school officials and the community and an increased willingness of the teaching staff to experiment with new curricula, new teaching techniques, and new curriculum organization, which would be of specific benefit to the disadvantaged child. The LEA stated also that a corrective reading project had resulted in the correction of reading deficiencies of more than 3,600 children.

We did not make an overall evaluation of the administration and results of the title I program in New Jersey or Camden which would have enabled us to confirm the validity of the above-cited conclusions. We did note, however, a number of areas of administration in which there were opportunities for strengthening management controls at both the State and local levels. Our findings and recommendations pertaining to these matters are discussed in the following chapters of this report.

CHAPTER 3

PARTICIPATION AND SELECTION OF SCHOOL ATTENDANCE AREAS

The Camden LEA conducted title I projects in all its school attendance areas, some of which had not been designated by the LEA as having high concentrations of children from low-income families. We estimated that title I funds in excess of $240,000 were expended in these areas.

Although the LEA gathered data on low-income families in the city, the data did not relate to school attendance areas. The LEA's title I coordinator informed us that the selection of school attendance areas for participation in the title I program was based primarily on his general knowledge of economic deprivation in the city. The basis for the selection was not documented although documentation was required by title I regulations. As a result, the SEA and other parties having an interest in the program were not in a position to know whether title I funds provided to the LEA were being spent on those children the program was intended to serve.

IMPORTANCE OF DETERMINATION OF PARTICIPATING SCHOOL ATTENDANCE AREAS

The Elementary and Secondary Education Act of 1965 provides that title I funds be used for projects which are designed to meet the special educational needs of educationally deprived children in school attendance areas having high concentrations of children from low-income families, on the basis that educational deprivation usually exists in such areas.

The Senate Committee on Labor and Public Welfare and the House Committee on Education and Labor, in their respective reports on the legislation which was later enacted as the Elementary and Secondary Education Act of 1965, stated that it had been apparent for some time that there was a close relationship between conditions of poverty and lack of educational development and poor academic performance. The Committees reported that testimony received during deliberations on the legislation illustrated that the conditions of poverty or economic deprivation produced an environment which, in too many cases, precludes children's taking full advantage of the educational facilities provided.

It was the Committees' belief that these children had been so conditioned by their home environment that they were not adaptable to ordinary educational programs. Existing environmental conditions and inadequate educational programs, rather than lack of basic mental aptitude, were cited as being principally responsible for the failure of these children to perform adequately in the school system.

Title I regulations define an area of high concentration of children from low-income families as being a school attendance area where such concentration is as high as, or is higher than, the average concentration of such children for the school district as a whole. Such areas of high concentration are considered as being the program's "project area."

Since the beneficiaries of the title I program are to be the educationally deprived children who reside in areas having high concentrations of children from low-income families, it is evident that determining which school attendance areas are to participate in each LEA's program is one of the more important aspects of the title I program, if the limited program funds available are to be utilized for assisting the children the program is intended to serve.

PROGRAM REQUIREMENTS

In keeping with the concept that a correlation exists between the educationally deprived and the economically disadvantaged, Office of Education guidelines, which supplement the title I regulations, state that a school attendance area will be eligible to participate in the program if it has a concentration of children from low-income families which is equal to or greater than the average concentration of such children for the LEA as a whole.

The guidelines state also that a school attendance area will be eligible to participate either if the percentage of children from low-income families in the area is equal to the percentage for the entire LEA or if the number of children from low-income families in the area is equal to the numerical average of such children in the LEA.

Beginning with fiscal year 1969, the Office of Education amended the guidelines to place a ceiling on the total number of school attendance areas that would be accepted for participation in the title I program in each LEA. This ceiling was to be determined on the basis of the highest number of areas that would qualify under one of, but not both, the prescribed bases--percentage of concentration or numerical average.

The guidelines place in each LEA the responsibility for obtaining data for identifying low-income families in school attendance areas within an LEA's jurisdiction. The guidelines do not specify the source data to be used in identifying children from low-income families in each school attendance area or in an LEA as a whole but, rather, provide considerable latitude to an LEA, in this respect. Among the source data considered acceptable by the Office of Education are records on payments of aid to families with dependent children under title IV of the Social Security Act and other welfare data, health statistics, and data from school surveys containing information on or related to family income.

In addition to the general guidelines above, specific instructions have been issued by the Office of Education in regard to the preparation of an LEA's project application. These instructions provide that the sources of the data used for determining the number of children from low-income families in an LEA be stated in the application, and that such data be made a part of each LEA's official title I records.

PROGRAM WAS NOT LIMITED TO SCHOOL ATTENDANCE AREAS DESIGNATED TO PARTICIPATE IN THE PROGRAM

The Camden LEA designated 21 of its 29 school attendance areas to participate in the program in fiscal year 1966, 20 of 28 in 1967 and 1968, and 19 of 28 in 1969. Instead of conducting title I projects only in those areas designated as having high concentrations of children from low-income families, however, the LEA conducted various title I project activities in all its school attendance areas during each of these years. We estimated that more than $240,000 of title I funds were expended for items and services--such as audio-visual equipment, corrective reading instructors and textbooks, physical education instructors and equipment, and instructional aides--in areas that the LEA had not designated as having high concentrations of children from low-income families.

LEA officials informed us that they had been advised by SEA officials that it was permissible for the LEA to spend up to 15 percent of its title I funds in school attendance areas that had not been designated to participate in the title I program. These officials, however, were unable to furnish us with supporting documentation.

SEA officials informed us that they were unaware of any State or Federal directive which permitted an LEA to spend up to 15 percent of its title I funds in school attendance areas outside the project area. We were informed also that the SEA had not given the Camden LEA permission to conduct title I projects in school attendance areas not designated to participate in the title I program.

DOCUMENTATION SUPPORTING SELECTION OF SCHOOL ATTENDANCE AREAS NOT MAINTAINED

LEAs are responsible for selecting school attendance areas to participate in the title I program and are required to maintain documentation supporting their selections, as part of their official program records. Office of Education officials have informed us that the LEAs' records are to contain sufficient documentation to enable the SEAs to ascertain whether the LEAs proceeded correctly in their selections. These officials stated also that, in the event any members of the communities questioned the selections of school attendance areas for participation, the LEAs' records could be used to show that the selections were not determined arbitrarily but were determined objectively by applying selection procedures established by the Office of Education.

We discussed the Camden LEA's selection of areas to participate with its title I coordinator who informed us that, in determining the project areas for fiscal years 1966 through 1970, he used 1960 census data; a 1965 community action program application prepared by the Camden Council on Economic Opportunity; statistics on aid to families with dependent children; and, for fiscal year 1966 only, an income survey made by the Office of Economic Opportunity in the north section of the City. We noted, however, that the data did not relate to individual school attendance areas but to the city as a whole or to other geographical breakdowns such as census tracts.

He informed us further that he applied his knowledge of economic deprivation in the city to the above data to determine the percentage of concentration of children from low-income families in each school attendance area. These percentage-of-concentration figures were then used to select the school attendance areas to participate in the program. We noted that eight of these areas, each of which the title I coordinator had determined to have a concentration of 25.6 percent in fiscal years 1967 and 1968, were shown in the LEA's fiscal year 1969 title I project application as having concentrations ranging from 26.7 to 36.4 percent and in the fiscal year 1970 project application as having concentrations ranging from 35.1 to 50.7 percent. The title I coordinator, however, informed us that, from the beginning of the program in fiscal year 1966, no documentation had been maintained by the LEA to support the method used to determine the percentage concentrations shown in the title I project applications, although such documentation was required by the Office of Education.

CONCLUSIONS

In each of the first 4 years of the Camden LEA's title I program operations, title I funds were expended in school attendance areas that had not been designated to participate in the program because LEA officials believed that it was permissible to expend up to 15 percent of the LEA's title I funds outside of project area schools. In addition, the LEA did not document the basis for selection of school attendance areas to participate in the title I program. As a result, Office of Education and SEA officials responsible for program administration were not in a position to know whether title I funds provided to the Camden LEA were being spent on those children the title I program was intended to serve.

RECOMMENDATION TO THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE

We recommend that the Secretary emphasize to the New Jersey SEA the need to ensure that LEAs (1) select and document project areas in accordance with applicable program criteria and (2) concentrate program assistance to the fullest extent in those school attendance areas designated as having high concentrations of children from low-income families.

- - - -

HEW's comments on our draft report were furnished by the Assistant Secretary, Comptroller, in a letter dated December 21, 1970. (See app. IV.)

The Assistant Secretary stated that the Department concurred in our recommendation and that the Office of Education, in a letter to the New Jersey commissioner of education, would urge that the SEA strengthen its procedures for project review and approval and for program monitoring so as to preclude further deviations from program regulations governing selection criteria and from the terms of approved project applications.

CHAPTER 4

SOME PROJECTS WERE NOT DESIGNED TO MEET THE SPECIAL NEEDS OF EDUCATIONALLY DEPRIVED CHILDREN

The LEA designed and conducted certain title I projects for both public school and private school children on the basis that Camden's school system, in general, lacked the facilities, services, equipment, or materials which would be supplied under the projects rather than on the basis that the projects would meet the special educational needs of educationally deprived children in areas having high concentrations of children from low-income families. In addition, the services, equipment, and materials provided under these projects were, in several instances, made available to all public school children in certain grade levels (physical education), to all public schools (audio-visual equipment), and to all children in all public elementary schools (textbooks).

It appeared that the operation of a substantial part of the LEA's title I program did not result in a special educational program for educationally deprived children but in a program of general aid to both the public and private school systems which, according to Office of Education officials, was contrary to the objectives of the title I program. These projects are described briefly in appendix I.

PROGRAM REQUIREMENTS

Title I regulations require that each project be designed for those educationally deprived children in the project area who have the greatest need for special educational assistance and that the LEAs' applications describe the special educational needs of such children. The regulations require also that projects should not be designed merely to meet the needs of schools, the student body at large in a school, or students in a specified grade in a school.

Office of Education guidelines point out that, prior to the initiation of a title I project, the main activities or services proposed for any project should be related to specific characteristics of the educationally deprived children to be served. The guidelines point out also that sufficient resources should be concentrated on these children to ensure that their special educational needs will be significantly reduced and that the help provided will not be fragmentary. The following statement is included in the Office of Education policy manual governing the conduct of title I projects.

> "Title I of the Elementary and Secondary Education Act of 1965 does not provide general aid to education. Instead, Congress has made it a unique program of categorical aid. Unlike other Acts, Title I does not seek to stimulate the development of selected areas of the regular school curriculum but rather to provide special programs for selected children. The spirit of Title I, then, is one of extending educational help and related services to the children who most need this help. The children who enter schools with socioeconomic, physical, and cultural handicaps more often than not have school records showing cumulative retardation and maladjustment. General aid to education may leave the educationally handicapped child in the same or in a relatively more disadvantaged position."

NEED TO IDENTIFY CHILDREN POSSESSING SPECIAL EDUCATIONAL NEEDS

Our review of the LEA's project applications approved by the SEA during fiscal years 1966 through 1969 indicated that certain of its title I projects were designed to meet the general educational needs of Camden's school system rather than specific identified needs of educationally deprived children residing within the project area. We estimate that about $1.2 million of title I funds were expended on these projects during the first 4 years of the LEA's title I program.

We asked the LEA officials whether the LEA had identified the specific children who possessed special educational needs that could be met by the LEA's physical education, communicative instructional facilities, supplemental resource materials, fine arts, and instructional aides projects. The LEA's title I coordinator informed us that the LEA had not identified the specific children with educational needs that could be met by these projects. He explained that the need for these projects was determined on the basis of his belief that all children in Camden's school system were educationally deprived because the school system

--did not have multiethnic textbooks which were considered to be of value to the system;

--did not have a physical education program in its elementary schools;

--had a shortage of audio-visual equipment which, research had shown, helped children learn; and

--lacked supplemental resource materials which, in the opinion of most educators, enable children to learn better.

He expressed the opinion that, because so much of the school district was economically disadvantaged, almost all school children in the project area had a need for the title I projects because they were all educationally deprived in some way.

As a result of the manner in which the LEA determined the need for its title I projects, the services, equipment, and materials were, in several instances, made available to all public school children in certain grade levels, to all public schools, or to all children in all public elementary schools, contrary to the title I program policy of concentrating a variety of special services on those educationally deprived children having the greatest need for such assistance. These instances are briefly described below.

- --Under the specialized physical education project, equipment was purchased and distributed in the initial year of the program and physical education specialists were employed each year to conduct physical education classes for all children in fourth, fifth, and sixth grade classes in all public elementary schools and in six of the nine private elementary schools. The LEA estimated that from 2,800 to 5,600 children participated in this project each year.

- --Under the fine arts project, cultural activities were conducted in the initial year of the program in eight of the nine private elementary schools and in all but two public elementary schools. In subsequent years, teachers in music or in arts and crafts were hired to conduct classes in these areas in six of the nine private elementary schools and in all but two public elementary schools. All children in fine arts classes in these schools were permitted to participate in the project. The LEA estimated that from 12,000 to 16,000 students participated in this project each year.

- --Instructional aides (teacher aides) were provided to all public elementary schools and to five of the nine private elementary schools, on the basis of one per school. The aides performed duties, as assigned, for any teacher in the school to reduce the amount of time teachers had to spend on clerical or noninstructional duties and to make it possible for teachers to give more individual attention to students. The LEA estimated that over 15,000 students benefited from the services of the teacher aides each year.

- Under the communicative instructional facilities project, the LEA, in the initial year of the project, distributed various types of audio-visual equipment to all public elementary and secondary schools in the district and to all private elementary schools. The audio-visual equipment included items, such as slide and movie projectors, copying machines, and television sets. This equipment has been available to all classes in the schools, without restriction. According to an LEA official, almost all children in the school district benefited from the use of the equipment.

- The supplemental resources materials project was designed to purchase and distribute, in the initial year of the project, resource materials, such as encyclopedias, atlases, science kits, globes, language kits, dictionaries, and handbooks. These items were placed on portable carts so that they could be moved from room to room. The carts and the material were distributed to all public elementary and all private elementary schools, where they were available for the use of all children. These materials were utilized by about 17,000 students during the first year of the project, according to an LEA official. We were unable, however, to obtain estimates for subsequent years.

- Part of the corrective reading project included the distribution of multiethnic and cobasal (used for both regular and corrective reading) textbooks in the initial year of the project to all public elementary and all private elementary schools, where they were available for the use of all children. The number of textbooks purchased and distributed was about 70,000.

Although the equipment, materials, and textbooks discussed in the last three examples were distributed in the initial year of the title I program, they were retained by the schools and have been available for use without restriction since that time.

We discussed the operation of these projects with the LEA's title I coordinator, who informed us that he believed that, from an educational viewpoint, there was nothing wrong with the operation of the projects because there was a need for these projects in the school district and that, without the projects, all the children would have been educationally deprived.

We discussed the design and operation of the projects with Office of Education officials, who stated that the projects apparently had been conducted on a "program shortage approach"--a lack of certain activities in the LEA's regular program--rather than for the special educational needs of educationally deprived children. The officials stated also that, because these projects were not designed to correct predetermined special educational needs of the educationally deprived children, the SEA should not have approved the project applications. (The manner in which the SEA administered the title I activities in New Jersey is discussed more fully in ch. 5.) These officials stated further that the projects were conducted in a manner which constituted general aid to both the public and private school systems and which is prohibited under the title I program.

We were subsequently informed by an LEA official that the instructional aides project was discontinued after the 1969 project year and that, beginning with fiscal year 1970, the fine arts project was to be conducted with the LEA's own funds rather than with title I funds. He informed us also that the specialized physical education project was being phased out of the title I program and would be conducted entirely with local funds beginning with fiscal year 1971.

With regard to the supplemental resource materials project and the textbooks distributed under the corrective reading project, we were informed by an LEA official that the LEA considered these projects to be completed upon distribution of the instructional materials. We were informed also that the communicative instructional facilities project was being continued under title I but that title I funds were being used principally for the salary of the person hired to supervise the LEA's audio-visual program.

TITLE I FUNDS USED TO OBTAIN RELOCATABLE CLASSROOMS AND STAFF FOR REGULAR SCHOOL PROGRAM

The SEA approved a fiscal year 1966 title I project for the LEA to acquire 19 fully equipped relocatable classrooms (temporary buildings) and the related teachers and janitorial personnel, even though the project application contained no indication that the project was designed to meet special educational needs of educationally deprived children as provided under the title I program. Title I funds were used in each year to support a program of regular elementary school instruction in these facilities at a total estimated cost through fiscal year 1969 of approximately $1.2 million including the acquisition cost of the facilities.

The objectives of this project as stated in the application were as follows:

1. To eliminate half-day, 4-hour programs for 600 pupils and restore full-day instructional programs for these pupils.

2. To relieve overcrowded classes in selected disadvantaged areas by reducing average class size. (In this regard, the application stated that it was a desirable goal for elementary classrooms to have an average class size of under 30 children.)

According to LEA officials and school attendance records, 38 classes were placed on half-day sessions at the beginning of the initial year of the title I program. There were no classes on half-day sessions prior to that time. The LEA officials informed us that the classes were placed on half-day sessions so that a more orderly transfer of children could be accomplished by transferring 19 of these classes to the relocatable classrooms when the relocatable classrooms opened. Thus it appears that the half-day sessions, which were to be eliminated by the utilization of the relocatable classrooms, were established in anticipation of the acquisition of such classrooms.

LEA officials informed us that the children in the 19 classes transferred to the relocatable classrooms were being taught regular school curriculum subjects and were not being given specialized instruction either before or after the relocatable classrooms became operational.

The director of Federal assistance programs at the SEA informed us that the LEA's initial application for this project was approved because the responsible SEA official at that time believed that the project's objective of reducing class size met with the title I regulations and guidelines. The director also informed us that, although he did not believe that the LEA should continue to use title I funds to pay for the salaries of teachers and the upkeep of the relocatable classrooms, he believed that, if the SEA refused to allow title I funds to be used to continue the project, the LEA would not be able to assume the cost and would close the relocatable classrooms. In his opinion, this would force the children attending classes in relocatable classrooms to be placed back into the regular classrooms and would overcrowd these classrooms.

In discussing this project with Office of Education officials, we were informed that the SEA should never have approved this project because it was not in accordance with title I regulations. These officials commented that:

1. The objectives, as stated in the application, did not indicate that any predetermined needs of educationally deprived children were to be met.
2. It appeared that two of the objectives--to eliminate half-day programs and to restore full-day instructional programs--were actually aimed at solving a problem which had been created by the LEA in September 1965, in anticipation of receiving title I funds later that school year.
3. The statement in the application that "a desirable goal for elementary classrooms is to have an average class size of 30 children" is a very commendable goal for any school district. However, it does not demonstrate a preidentified need of educationally deprived children.

4. There was no indication that the LEA even tried to show how this project would meet any special educational needs of educationally deprived children.

These officials stated also that providing classroom space had been and still was the responsibility of the LEA and not of the title I program, unless it could be demonstrated that additional classrooms would meet the special needs of educationally deprived children.

Payment of architectural and engineering fee unallowable

The LEA initiated action to retain the services of an architectural and engineering firm as a consultant in obtaining the relocatable classrooms more than 2 months prior to the date of submission of the project application to the SEA. Our review showed that the payments for such services were charged to the title I program. Although no contract or obligating document could be located by the LEA for the services provided by the firm, an LEA official informed us that an obligation in the amount of $15,000 was incurred when the LEA initiated action to retain the firm.

Title I regulations state that title I funds distributed to LEAs shall not be available for use for obligations incurred either prior to the effective date of SEA approval of a project or the date the application was received by the SEA in substantially approvable form. Since the LEA obligated funds for the architectural and engineering services more than 2 months prior to either of the above-stated dates, payment with title I funds was not allowable.

SEA officials informed us that, although the payment of the $15,000 fee was in direct conflict with the regulations, they planned no action to recover the funds because the services of the firm were apparently necessary to get the relocatable classroom project started. Office of Education officials, however, stated that payment of the architectural and engineering fee was not in accordance with the applicable regulations and should never have been approved by the SEA.

NEED TO INCLUDE PRIVATE SCHOOL OFFICIALS IN PROGRAM PLANNING

Title I of the Elementary and Secondary Education Act provides that, to the extent consistent with the number of educationally deprived children in the school district of the LEA that are enrolled in private elementary and secondary schools, an LEA must provide special educational services and arrangements, under its title I program, in which such children can participate.

We noted that the LEA, in its planning and design of title I projects, did not consult with private school officials even though private school children were to participate in the projects. Office of Education guidelines point out that, before developing projects, it would be advisable for the LEA to consult with private school officials to determine the special needs of educationally deprived children in private schools so that such needs may be provided for in the project plan. Title I regulations issued subsequent to the guidelines require that the needs of educationally deprived children enrolled in private schools, the number of such children who will participate in the title I program, and the types of special educational services to be provided for them, shall be determined after consultation with persons knowledgeable of the needs of these private school children.

We were informed by the LEA's title I coordinator that he interpreted the title I legislation to mean that the LEA was to develop projects for public schools and offer them to the private schools. Therefore, without ever determining the needs of educationally deprived children in the private schools, the LEA designed projects to satisfy the needs of the public schools and asked the private school officials if they wished to have their schools participate in these projects.

A private school system official informed us that he received an allocation of services, equipment, and materials from the LEA for those projects in which he desired children enrolled in his school system to participate. This allocation was based on the percentage of children from low-income families attending the private school system.

In discussing with SEA officials the manner in which the LEA provided for the participation of private school children in the title I program, we were informed by the SEA director of Federal assistance programs that the SEA believed that private school officials should be involved in the planning of title I projects and the conduct of the title I program. He stated that the SEA believed, if it were necessary to design different projects to meet the needs of private school children, then such projects should be designed.

The SEA director stated further that, as a result of a recent SEA review of the Camden LEA, the SEA had informed the LEA that private school officials must be (1) included in the assessment of the special needs of educationally deprived children enrolled in private schools and (2) actively involved in the planning of projects to be conducted in private schools.

Implementation of these directives by the LEA should, in our opinion, result in better determinations of the special needs of educationally deprived children enrolled in private schools and in the design of projects to better satisfy these needs.

CONCLUSION

Although large numbers of children participated in the title I projects conducted in Camden, the LEA's actions in designing and operating certain projects on the basis that the school system in general lacked particular facilities, services, equipment, and materials were contrary to the title I program objective that projects should be designed and conducted for the benefit of those educationally deprived children in the project area who had the greatest need for educational assistance.

RECOMMENDATIONS TO THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE

In view of the Camden LEA's responsibility to provide classroom space, services, equipment, and materials for general classroom instruction from other than title I funds, we recommend that the Secretary review the facts relating to the seven title I projects discussed in this chapter and, to the extent warranted, effect recoveries or make appropriate adjustments for the title I funds deemed to have been expended in a manner not consistent with the objectives or provisions of title I of the Elementary and Secondary Education Act.

We recommend also that the Secretary emphasize to the New Jersey SEA the importance of requiring LEAs, prior to SEA approval of project applications, to identify the special needs of educationally deprived children--including those in private schools--and design projects which will have reasonable promise of meeting such needs.

Since title I projects in other States may also have included features which constitute general aid to the local school system and which are contrary to the objectives of the title I program, we recommend further that the Secretary emphasize to all SEAs the nonavailability of title I funds to support projects designed to meet general educational needs of the local school systems, because the funds are intended for specifically identified needs of educationally deprived children residing in title I project areas.

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The Assistant Secretary stated that the Department concurred in our recommendations. He stated also that, with respect to the particular projects of the Camden LEA wherein there was evidence of the use of title I funds for general educational purposes, the Office of Education, in conjunction with SEA officials, would conduct a thorough review of project expenditures, including the funds previously expended for the costs of staffing and operating the 19 relocatable classrooms, and would effect prompt recovery or adjustment of all amounts found to have been expended for purposes or in a manner inconsistent with title I objectives or regulations. Furthermore, the Office of Education would instruct the New Jersey SEA to effect recovery of $15,000 for payments of architectural fees obligated prior to the date of project submission as this sum was not an allowable charge to the title I program.

The Assistant Secretary stated also that the Office of Education would emphasize, in a letter to the New Jersey commissioner of education, the clear need for adoption at both the LEA and SEA levels, of more effective measures to ensure identifications of the special needs of educationally deprived children in both public and nonpublic schools and to limit title I project design and approval to projects offering reasonable promise of success in meeting those special needs. He stated further that the letter would instruct the New Jersey commissioner to ensure that all LEAs, including Camden, were made aware of the appropriate provisions of the regulations regarding the use of title I funds and to have steps taken to provide for an adequate before-the-fact assessment of the special needs of educationally deprived children attending private schools.

The Assistant Secretary also stated that a general revision of the title I regulations was being drafted. The revision will give particular attention to strengthening and clarifying those regulatory sections dealing with the requirements that title I funds be used exclusively for project activities specifically designed to serve the clearly identified special needs of educationally disadvantaged children in title I project areas.

CHAPTER 5

ADMINISTRATION OF THE TITLE I PROGRAM

BY THE NEW JERSEY STATE EDUCATIONAL AGENCY

The Office of Education requires SEAs to provide assurances, in their formal applications for participation in the title I program, that title I funds will be used for projects which are designed to meet the special educational needs of educationally deprived children in school attendance areas having high concentrations of children from low-income families. The SEAs are required to provide assurances also that effective procedures for evaluating, at least annually, the effectiveness of the projects in meeting the special educational needs of educationally deprived children will be adopted by the States' LEAs and that these procedures will provide for appropriate objective measurements of educational achievement.

We believe that, if the New Jersey SEA had conducted adequate reviews of the Camden LEA project applications, monitored project operations, and utilized the LEA evaluation reports to improve program effectiveness, many of the weaknesses in the LEA title I program discussed in earlier chapters of this report could have been avoided.

ACTION TAKEN TO STRENGTHEN SEA'S REVIEW OF PROJECT APPLICATIONS

Information contained in the Camden LEA project applications approved by the SEA indicated that certain projects were not designed in accordance with title I program requirements and should have been questioned by the SEA before it approved the project applications. We discussed this matter with SEA officials who stated that the weaknesses in the SEA's project review process allowed such projects to be approved and that action was being taken to correct these weaknesses.

The SEA director of Federal assistance programs stated that, prior to fiscal year 1970, project applications were reviewed by State employees who were assigned to the SEA during the summer, who were not adequately trained in project application review, and who were unfamiliar with title I regulations and guidelines. He stated also that, as a result, many projects which should have been questioned or disapproved probably had been approved and that he believed that inadequacies in project design similar to those we found to exist in the Camden program may have existed in approved projects of other LEAs throughout the State.

The SEA official advised us that the State's review of project applications in fiscal year 1970 was substantially improved over reviews performed in prior years. A program operation section composed of four persons specializing in the administration of title I program activities in the State was established under the director of the office of federal assistance programs. Such specialization did not exist in prior years. This section was made responsible for the review and approval of project applications for all LEAs that are eligible for title I grants of $20,000 and over. The State employees who formerly were assigned to the SEA in the summer to review project applications are responsible for reviewing and recommending for approval only those project applications from LEAs that are eligible for title I grants under $20,000. In addition, these persons have been given formal training in title I application review procedures and in applicable regulations and guidelines.

An Office of Education official informed us that, on the basis of a visit he made to the SEA in March 1970, he believed that the new project application review procedures had resulted in significant improvements in the SEA's administration of the title I program.

NEED FOR SEA TO MONITOR LEA ACTIVITIES ON A PERIODIC BASIS

SEA officials informed us that, from the inception of the title I program in the State in fiscal year 1966 through fiscal year 1969, the SEA made no regularly scheduled monitoring visits to the LEAs. They stated that during that period the SEA's monitoring activities were performed on a limited basis and that visits were made only when the SEA, through its own contact or through newspaper publicity, became aware of a trouble area at an LEA.

The SEA director of Federal assistance programs advised us that one of the reasons for the lack of monitoring visits was the SEA's reliance on assurances given by the LEAs in their project applications. He also stated that the lack of adequate monitoring could be attributed to the frequent changes in the SEA's title I staff and to the lack of full-time professionals assigned to that staff.

During our review, the Camden LEA requested that the SEA make a review of the LEA's entire school system. Prior to that time, SEA officials had not made any field visits to the LEA for the purpose of monitoring the title I program. As a result of its review, the SEA recommended that the LEA reassess its entire title I program to concentrate its projects on educationally deprived children and on developing appropriate hard data to enable more objective determination of low-income family concentrations.

Because the SEA's recommendations were made after the completion of our fieldwork at the LEA, we were not able to evaluate the effect these recommendations had on the operation of the LEA's title I program.

The SEA director of Federal assistance programs advised us that he planned to initiate a program in fiscal year 1970 which would provide for an annual review of the project activities of the 25 LEAs in the State that were receiving the largest grants of title I funds.

NEED FOR SEA TO UTILIZE LEA EVALUATION REPORTS TO IMPROVE PROGRAM

Project evaluation reports prepared by the Camden LEA and submitted to the SEA as required by Office of Education guidelines were not utilized by the SEA to help bring about improvements in the operation of the title I program at the LEA. Although the evaluation reports are received several months after the next year's project applications have been approved, we believe that such reports could be used by the SEA as a basis for improving existing projects or as an indication that certain projects are unsuccessful and should no longer be funded.

We noted also that the LEA's evaluation reports for certain years did not include an evaluation of each of the LEA projects and did not, in several instances, include information as to the LEA evaluation procedures used or the manner in which educational achievement was measured.

The title I regulations and guidelines require that effective procedures, including appropriate objective measurements of educational achievement, be adopted by LEAs for evaluating, at least annually, the effectiveness of the projects in meeting the special educational needs of educationally deprived children. The regulations provide also that the SEA must assure itself that each LEA has adopted effective procedures for evaluating its title I program.

The Office of Education guidelines point out that appropriate evaluation procedures must provide for measuring changes in a child's achievement or behavior over a period of time. The guidelines emphasize that the effectiveness of title I projects depends, to a considerable extent, on the feedback that comes from good evaluation and that the evaluation process, if used correctly, should enable the SEAs to assist LEAs in improving the quality and effectiveness of their projects.

The New Jersey SEA required each LEA participating in the title I program to submit an annual evaluation report on its program. The reports were to be prepared in a prescribed format designed by the SEA. Officials of the SEA stated that the LEAs' annual evaluation reports were used essentially to obtain information to be included in the SEA's annual evaluation report to the Office of Education. These officials informed us also that they did not use the LEAs' evaluation reports as means of determining the propriety of the manner in which project activities were conducted.

According to the SEA officials, they did not use information contained in the LEAs' evaluation reports for the SEA review of subsequent project applications. After we pointed out that the Office of Education guidelines emphasized the importance of using the results of the evaluation process to bring about improvements in project activities, SEA officials informed us that they would begin utilizing the LEAs' evaluation reports to help improve program operation and to review applications for continuing projects.

CONCLUSION

It appears that, in the years prior to fiscal year 1970, the SEA did not employ effective practices for ensuring that the title I program was conducted in accordance with applicable regulations and guidelines. We believe that the procedural changes initiated by the SEA in fiscal year 1970 to improve the application review process, the monitoring of LEA operations, and the use of LEA evaluation reports will, if properly implemented, help to ensure that projects conducted by LEAs are meeting the special educational needs of educationally deprived children and are being concentrated on children who are most in need of title I assistance.

RECOMMENDATION TO THE SECRETARY OF HEALTH, EDUCATION AND WELFARE

Because similar weaknesses in program administration may exist in other States, we recommend that the Secretary emphasize to all SEAs the need for (1) adequate reviews of project applications, (2) systematic programs of monitoring title I activities at LEAs, and (3) utilization of evaluation reports to improve program effectiveness.

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The Assistant Secretary stated that the Department concurred in our recommendation and that our comments and findings regarding the administration of the title I program by the New Jersey SEA were of great concern to the Office of Education in its current effort to strengthen the administration of the program in all the States and at all levels of authority. He stated also that the Office of Education would reemphasize, in a letter to all State departments of education, the need for (1) adequate review of project applications, (2) regular and comprehensive project monitoring on as broad a scale as possible and in as great depth as required for ensuring that projects are carried out as approved and in accordance with Federal requirements, and (3) development of strengthened procedures for evaluation of the effectiveness of the title I program, including

techniques for incorporating more promptly the results of such evaluations into later project application review activities.

CHAPTER 6

AUDITS OF TITLE I ACTIVITIES IN NEW JERSEY

The title I regulations provide that all expenditures by LEAs or SEAs be audited either by State auditors or by other appropriate auditors. Office of Education guidelines, in expanding on this subject, provide that such audits may be conducted as a part of local school audit procedures prescribed by State laws or regulations. The guidelines provide also that programs for audits at LEAs be developed in accordance with generally accepted auditing standards, giving due consideration to Federal policies governing the use of grant funds as well as to State or local policies and procedures.

The guidelines point out that effective standards for local audits related to specific programs should include, as a minimum:

1. Sufficient information for the local auditor regarding the requirements and limitations of the program to enable him to certify as to the eligibility of the expenditures reported.

2. Specific information in the audit report sufficient to permit reconciliation with amounts shown on the records in the State office and assurance that such reconciliation is actually made.

3. Assurance that exceptions reported by the auditor will be brought to the attention of officials in the State office responsible for the operation of the program and assurance that appropriate adjustments or other administrative actions will be taken by such officials.

The guidelines provide further that it is the responsibility of the SEA to ensure that audits of LEA expenditures conform to State laws and practices and are adequate, in terms of the standards and conditions described in the guidelines, whether the audits are conducted by the State auditors or by other appropriate auditors.

Each school district in New Jersey is required by State law to have its accounts audited annually by a registered municipal accountant or a certified public accountant of New Jersey who holds a license as a public school accountant.

The New Jersey SEA issued guidelines for fiscal management of title I funds to all local boards of education in the State. These guidelines contain a section on audit and detail the specific matters to be considered during the audit, as required by the guidelines issued by the Office of Education. We were informed by State officials that each school auditor had been made aware of the existence of the SEA guidelines and that it was the auditor's responsibility to obtain a copy of the guidelines from the local board of education using his services.

Upon completion of a school audit, the auditor is required to send a copy of the report to the SEA. The SEA is responsible for seeing that corrective action is taken on any exceptions noted by the local auditor. The SEA is responsible also for comparing the title I section of the audit report with the title I financial reports submitted by the local board of education and for resolving any differences.

In March 1969 the HEW Audit Agency issued a report on its review of the New Jersey title I program. This review did not include the Camden LEA. One of the points in the HEW audit report dealt with the audits of local expenditures. HEW recommended that the SEA (1) establish review and follow-up procedures for all local audit reports and findings, in accordance with the Office of Education guidelines, (2) provide for audits of expenditures of State institutions, and (3) expand the scope of the audit instructions issued by the SEA to include specific instructions on Federal compliance requirements.

The SEA's reply to HEW stated that it would establish adequate follow-up procedures, would require audits to be performed of the State institutions participating in title I, and would issue specific audit instructions regarding Federal compliance requirements of the title I program.

Office of Education officials, in a subsequent reply to the SEA, stated that they had accepted the SEA's assurances regarding the audit points noted and considered as adequate the specific audit instructions outlined in the SEA's revised guidelines for fiscal management and therefore considered the audit point settled.

At the time we completed our fieldwork, we were unable to evaluate the effectiveness of the SEA's revised procedures because of the short time during which they had been in effect.

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The Assistant Secretary stated that future reviews of the New Jersey title I program would stress evaluating the effectiveness of audit procedures adopted by the State and that technical assistance would be made available, as required, to the SEA by the Office of Education, to ensure adoption and implementation of any further procedures necessary to satisfy all Federal requirements in this area.

CHAPTER 7

SCOPE OF REVIEW

Our review was conducted at the LEA in Camden, New Jersey; at the SEA in Trenton, New Jersey; and at the Office of Education headquarters in Washington, D.C.

We examined applicable legislation and related legislative documents, Federal regulations, Office of Education program policies and directives, project applications, reports, and other pertinent documents relating to the title I program. We interviewed officials having responsibilities under the program at all the aforementioned locations.

Our review was directed primarily toward an examination into (1) the procedures and criteria used in selecting the particular areas within the LEA for participation in the program, (2) the design and conduct of certain projects by the LEA, (3) the provision for, and the participation of, private school children in the title I program, and (4) the administration of the title I program by the SEA.

APPENDIXES

DESCRIPTION OF PROJECTS DISCUSSED IN THE REPORT

The following is a description of the seven projects, conducted by the Camden LEA, which are discussed in chapter 4 of this report.

RELOCATABLE CLASSROOMS

This project provided for the installation and maintenance of 19 relocatable classrooms and for the employment of 19 teachers, two janitors, and one matron.

The objectives of the project were:

1. To eliminate half-day, 4-hour programs for 600 pupils and to restore full-day instructional programs for these pupils.
2. To relieve overcrowded classes in selected disadvantaged areas by reducing average class size.

CORRECTIVE READING INSTRUCTION

Under this project corrective reading instruction was to be provided to those students who were reading below their grade placement level but who, according to their records, possessed the ability to read at a level equivalent to or above their present grade level. The anticipated results from participation in this project were that:

1. Every child would improve in the following understandings and reading skills:

    a. Sentence meaning.
    b. Word attack skills.
    c. Word meaning and knowledge.
    d. Visual discrimination.
    e. Listening skills.

2. Most pupils would advance, in total reading ability, 1 full year toward their expected reading level.
3. An improvement in a child's reading ability would result in his manifesting a favorable attitude toward reading.

In the initial year of this project, textbook materials were introduced into all elementary schools and at all grade levels to further a sense of identification and understanding among urban population groups.

SPECIALIZED PHYSICAL EDUCATION INSTRUCTION

The project application for the specialized physical education project provided that each child in the fourth, fifth, and sixth grades who attended public or private elementary schools located in the defined attendance areas receive instructions in physical education for five half-hour periods a week. Two periods a week would be taught by a physical education specialist who would also act as a resource person to the classroom teacher, and the remaining three periods a week would be taught by the classroom teacher. Various types of physical education equipment, such as broad-jump mats, portable basketball standards, volleyball nets, and gymsters, were purchased and distributed to 25 public and six private schools.

The objectives of this project were to (1) promote physical fitness through appropriate motor activities, (2) teach all pupils participating in the project a knowledge of basic rules, regulations, and skills required in selected organized games and athletics, (3) develop acceptable attitudes, social behavior, and rhythmic skills through the teaching of selected folk and square dances, and (4) develop skills in the performance of selected stunts and tumbling activities.

DEVELOPMENT OF A PROGRAM OF COMMUNICATIVE INSTRUCTIONAL FACILITIES

The objectives of this project were to (1) develop specific audio-visual aids which apply to specific teaching units and activities which were already operable and to innovate such aids, (2) improve audio-visual techniques in teaching, and (3) change positively the attitudes of pupils involved in the project toward the classroom activities. The audio-visual aids distributed consisted mainly of (1) overhead projectors, (2) slide projectors, (3) 16 mm projectors, (4) projector screens, (5) filmstrip previewers, (6) tape recorders, (7) record players, (8) photocopiers, and

(9) televisions. The project provided for the establishment of an audio-visual laboratory and for the employment of a full-time professional to supervise the audio-visual program.

SUPPLEMENTAL RESOURCE MATERIALS

The purpose of this project was to establish, during the initial year of the title I program in each school designated in the application, a satisfactory resource center to be used interchangeably by all students in all classrooms. The objectives were to (1) make available to students and teachers sufficient quantities of supplemental classroom resource and reading materials, (2) provide resources which would encourage independent study on the part of students so inclined, and (3) encourage additional outside-the-classroom reading by the students involved.

Such materials as encyclopedias, atlases, science kits, globes, language kits, and dictionaries were purchased and distributed to all public and private elementary schools. The materials were placed on portable resource carts which could be moved from room to room.

EXPANDED FINE ARTS INSTRUCTIONAL PROGRAM

Under this project music instructors and art instructors were employed to serve both public and private elementary schools and to act as resource persons to the classroom teachers. Experience-type activities in the music part of the project were to include singing, clapping, dancing, marching, playing simple musical instruments, and dramatizing certain musical selections. Musical instruments were introduced to the children and guest artists were invited to the schools to give special demonstrations. Experiences in the art part of the project were to include (1) painting, (2) viewing displays, slides, and filmstrips, (3) modeling activities, including ceramics, and (4) other activities, such as drawing, pasting, weaving, and carving.

The objectives of the music part of this project were to:

1. Develop in each child the basic skills necessary for reading music as well as singing and for understanding the rudiments of rhythm.

2. Provide for the student a variety of musical experiences ranging from participation in musical activities to attendance at concerts.

3. Introduce the student to the capabilities and limits of the entire family of musical instruments.

4. Determine, through a sampling of classes, what effect, if any, instruction in music has upon the social attitudes of elementary school children.

The objectives of the art part of this project were to:

1. Provide ample opportunity for all children affected to experience working with as many materials as are feasible at a given grade level.

2. Stimulate the child to improve what is unattractive in his environment.

3. Determine, through a sampling of classes, what effect, if any, instruction in art has upon the social attitudes of elementary school children.

INSTRUCTIONAL AIDES

This project was initiated to reduce the amount of time that a teacher spent on clerical or noninstructional duties and to enable the teacher to give students the individual attention which many culturally or educationally disadvantaged children need. The aides were expected (1) to oversee milk and student insurance programs, (2) to type and reproduce tests and other materials, (3) to prepare audio-visual materials where possible and to deploy audio-visual equipment, (4) to supervise lunch and playground periods, (5) to assist with attendance-reporting duties, (6) to assist primary grade teachers with getting wraps on and off students, and (7) to perform other duties as assigned.

NUMBER OF CHILDREN PARTICIPATING IN CAMDEN LEA'S TITLE I PROJECTS

Project	Fiscal year 1966	1967	1968	1969 (note a)
Relocatable classrooms	573	583	560	-
Corrective reading instruction	640	2,164	1,542	-
Extended special and medical services	5,909	7,805	12,947	-
Specialized physical education instruction	2,799	4,906	5,635	-
After school tutorial program and neighborhood school informational meetings	1,421	(b)	(c)	-
Development of a program of communicative instructional facilities	24,723	16,933	17,000	-
Supplemental resource materials (note d)	17,066	-	-	-
Expanded fine arts instructional program	16,202	12,427	13,800	-
In-service programs (teachers only)	-	(b)	(b)	-
Instructional aides	15,265	15,650	15,700	-
Data processing training	-	91	(b)	-
Program of outdoor education	628	600	750	-
Total public school enrollment	20,426	20,500	20,555	20,529
Total private school enrollment	5,318	5,190	5,278	5,278
Total school district enrollment	25,744	25,690	25,833	25,807

[a] LEA officials were not able to supply us with the estimated number of children, by project, participating in the fiscal year 1969 program.

[b] Project not conducted during fiscal year.

[c] Only the neighborhood school information meeting part of project was conducted.

[d] The LEA considered this project to be completed after the distribution of the materials in fiscal year 1966. We were informed, however, that the materials distributed in the initial year have remained at the recipient schools. We therefore believe that at least the same number of children benefited from the project in each subsequent year.

TITLE I PROGRAM FUNDS RECEIVED BY CAMDEN LEA

Project	Fiscal year 1966	1967	1968	1969	Total
Relocatable classrooms (includes administrative expenses)	$ 352,412	$ 368,601	$ 390,694	$ 275,680	$1,387,387
Corrective reading instruction	193,612	203,934	242,155	258,334	898,035
Extended special and medical services	134,763	205,892	167,300	218,027	725,982
Specialized physical education instruction	78,859	68,944	85,747	84,341	317,891
After school tutorial program and neighborhood school informational meetings	28,064	(a)	3,275[b]	(a)	31,339
Development of a program of communicative instructional facilities	131,066	20,874	19,293	14,421	185,654
Supplemental resource materials	126,137	(c)	(c)	(c)	126,137
Expanded fine arts instructional program	39,686	84,924	90,505	93,537	308,652
In-service programs (teachers only)	8,072	841[d]	(a)	(a)	8,913
Instructional aides	15,747	45,920	44,601	75,669	181,937
Data processing training	1,463	8,491	(a)	(a)	9,954
Program of outdoor education	84,077	120,891	179,663	86,067	470,698
Total	$1,193,958	$1,129,312	$1,223,233	$1,106,076	$4,652,579

[a] Project not conducted during fiscal year.

[b] Only the neighborhood school informational meeting part of project was conducted during fiscal year.

[c] LEA considered this project completed after the distribution of materials in fiscal year 1966.

[d] Although this project was not conducted during fiscal year 1967, the expenditure was for developing a vocational curriculum in the summer of 1966.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
WASHINGTON, D.C. 20201

OFFICE OF THE SECRETARY

DEC 21 1970

Mr. Philip Charam
Associate Director
United States General Accounting Office
Washington, D.C. 20548

Dear Mr. Charam:

The Secretary has asked that I reply to your letter of September 30, 1970, with which you forwarded the draft report of the General Accounting Office review of OE administration of the Title I, ESEA program in the State of New Jersey. We appreciate the opportunity to review and comment on the findings and recommendations.

The findings clearly identify certain weaknesses in Title I program administration at the State Education Agency level and validly question several matters of project operation and management by the local educational agency whose activities were reviewed. The recommendations offered are well calculated to produce needed remedial action and they will be promptly implemented by the Office of Education.

Detailed comments on the findings, together with statements of action to be taken to implement the related recommendations, are set forth in the enclosure hereto. They are the product of review, by cognizant Departmental and Office of Education staff, of your report and the responses thereto submitted by the State and local educational agencies concerned.

Sincerely yours,

James B. Cardwell
Assistant Secretary, Comptroller

Enclosure

Department of Health, Education, and Welfare Comments Pertinent to the Draft of Report to the Congress of the United States by the Comptroller General of the United States on the Administration of Certain Aspects of Federal Program of Assistance to Educationally Deprived Children in New Jersey

Selection and Participation of School Attendance Areas

We recommend to the Secretary that he emphasize to the New Jersey SEA the need to ensure that LEAs (1) select and document project areas in accordance with applicable program criteria and (2) concentrate program assistance to the fullest extent in those school attendance areas designed as having high concentrations of children from low-income families.

Department Comment

We concur in this recommendation.

The U.S. Office of Education, in a letter to the New Jersey Commissioner of Education, will urge that the State educational agency (SEA) strengthen even further its procedures for project review and approval and for program monitoring, so as to preclude further deviations of this sort from program regulations governing selection criteria and from the terms of approved project applications.

Some Projects Were Not Designed to Meet the Needs of Educationally Deprived Children

We recommend that the Secretary (1) review the facts relating to the Title I projects discussed and, to the extent warranted, effect recoveries or make appropriate adjustments in Title I program funds deemed to have been expended in a manner not consistent with the objectives or provision of Title I of the Elementary and Secondary Education Act, and (2) emphasize to the New Jersey SEA the importance of requiring LEAs, prior to SEA approval of project applications, to identify the special needs of educationally deprived children--including those in private schools--and design projects which will have reasonable promise of meeting such need.

We also recommend that the Secretary emphasize to SEAs generally the nonavailability of Title I funds to support projects designed to meet general educational needs of the local school systems rather than specific identified needs of educationally deprived children residing in Title I project areas.

Department Comment

We concur in this recommendation. As mentioned in our response to the prior recommendation, the Office of Education is sending a letter to the New Jersey Commissioner of Education. It will emphasize the clear need for adoption, at both the LEA and SEA levels, of more effective measures to assure identification of the special needs of educationally deprived children in both public and nonpublic schools and to limit Title I project design and approval to projects offering reasonable promise of success in meeting those special needs.

A general revision of the Title I, ESEA regulations presently is in progress. In the course of that action, the Office of Education is giving particular attention to strengthening and clarifying those regulatory sections dealing with the requirement that Title I funds be used exclusively for project activities specifically designed to serve the clearly identified special needs of educationally disadvantaged children in Title I project areas. This same matter was dealt with extensively during a series of regional conferences among State educational agency and Office of Education officials, held in Washington and Denver during late November and early December of this year.

With respect to the particular projects of the Camden LEA wherein there is evidence of use of Title I funds for general educational purposes, the Office of Education, in conjunction with SEA officials, will conduct a thorough review of project expenditures and effect prompt recovery or adjustment of all amounts found to have been expended for purposes, or in a manner, inconsistent with Title I objectives or regulations.

The Office of Education position regarding the expenditure of Title I funds to defray the costs of staffing and operating 19 relocatable classrooms is set forth in the GAO report. In the aforementioned letter to the New Jersey Commissioner of Education, it will be stressed that, unless there is clear evidence that those classrooms are being utilized in a project specifically designed to meet the special needs of educationally deprived children, the use of Title I funds in connection with those classrooms must be terminated. The question of possible recovery of adjustment of Title I funds previously expended for costs related to the relocatable classrooms also will be discussed and resolved in conjunction with the SEA.

With reference to payments of architectural fees prior to the date of project submission, the Office of Education will instruct the SEA to effect recovery of $15, 000 as this sum was not an allowable charge to the Title I program.

Regarding the participation of private school children in the Title I program, the Office of Education will instruct the State Commissioner to ensure that all LEAs, including Camden, are made aware of the appropriate provisions of the regulations regarding use of Title I funds and have taken steps to provide for an adequate before-the-fact assessment of the special needs of educationally deprived children attending such schools.

Administration of the Title I Program of the New Jersey Educational Agency

We recommend that the Secretary emphasize to the SEAs the need for (1) an adequate review of project applications, (2) a systematic program of monitoring title I activities at LEAs and (3) utilization of evaluation reports to improve program effectiveness.

Department Comment

We concur in this recommendation.

The comments and findings in the review relative to the administration of the Title I program by the New Jersey SEA have been reviewed and they are of great concern to the Office of Education in connection with its current effort to strengthen the administration of the program in all the States and at all levels of authority. The Office of Education will re-emphasize in a letter to all State departments of education the need for (a) adequate review of project applications; (b) regular and comprehensive project monitoring on as broad a scale as possible and in as great depth as is required to ensure that projects are carried out as approved and in accord with Federal requirements; and (c) development of strengthened procedures for evaluation of the effectiveness of the Title I program, including techniques for incorporating more promptly the results of such evaluations into later project application review activities.

The Office of Education will continue to stress to the New Jersey SEA the need for periodic audits of Title I expenditures, with followup action taken on a timely basis where correction is required. Future reviews of the New Jersey Title I program will stress evaluating the effectiveness of audit procedures adopted by the State. Technical assistance will be made available to the SEA, as required, by the Office of Education to ensure adoption and implementation of any further procedures necessary to satisfy all Federal requirements in this area.

GAO REPORTS ON

REVIEWS OF FEDERAL PROGRAM OF

AID TO EDUCATIONALLY DEPRIVED CHILDREN

Report title	B-Number	Date issued
Opportunities for Improving Administration of Federal Program of Aid to Educationally Deprived Children in West Virginia	B-164031(1)	March 5, 1970
Improvement Needed in Administration of the Federal Program of Aid to Educationally Deprived Children in Ohio	B-164031(1)	December 28, 1970

PRINCIPAL OFFICIALS OF THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE HAVING RESPONSIBILITY FOR THE ACTIVITIES DISCUSSED IN THIS REPORT

	Tenure of office	
	From	To
SECRETARY OF HEALTH, EDUCATION, AND WELFARE:		
Elliot L. Richardson	June 1970	Present
Robert H. Finch	Jan. 1969	June 1970
Wilbur J. Cohen	Mar. 1968	Jan. 1969
John W. Gardner	Aug. 1965	Mar. 1968
Anthony J. Celebrezze	July 1962	Aug. 1965
ASSISTANT SECRETARY (EDUCATION):		
Vacant	June 1970	Present
James E. Allen, Jr.	May 1969	June 1970
Peter P. Muirhead (acting)	Jan. 1969	May 1969
Lynn M. Bartlett	July 1968	Jan. 1969
Paul A. Miller	July 1966	July 1968
Francis Keppel	Oct. 1965	May 1966
COMMISSIONER OF EDUCATION:		
Sidney P. Marland, Jr.	Dec. 1970	Present
Terrel H. Bell (acting)	June 1970	Dec. 1970
James E. Allen, Jr.	May 1969	June 1970
Peter P. Muirhead (acting)	Jan. 1969	May 1969
Harold Howe II	Jan. 1966	Dec. 1968
Francis Keppel	Dec. 1962	Jan. 1966

U.S. GAO Wash., D.C.